



Date: June 15, 2006

To: Workforce Development Board Directors
Job Service Directors
Job Service Supervisors
ASSET User Group Representatives

From: Gary Denis, Acting Bureau Director
Bureau of Workforce Programs

Subject: **Workforce Investment Act (WIA) Policy Update 06-01: Common Measures Performance Policy Implementation in Program Year 2005 - 2006**

Purpose

On April 15, 2005, the U.S. Department of Labor (U.S. DOL), Employment and Training Administration (ETA) published Training and Employment Guidance Letter (TEGL) 28-04 Common Measures Policy. This policy was rescinded and replaced by TEGL 17-05: Common Measures Policy for the ETA's Performance Accountability System and Related Performance Issues.

Legislative/Regulatory/Policy References

- **WIA of 1998, Federal Regulations, Subpart A, Section 666:** State Measures of Performance
- **US DOL TEGL 17-05:** Common Measures Policy for the ETA's Performance Accountability System and Related Performance Issues
- **Workforce Investment Act (WIA) Policy Update 05-03:** Common Measures Performance Policy Implementation in Program Year 2005-2006

Background

The re-issued Common Measures Policy (TEGL 17-05) rescinds and replaces the common measures policy outlined in TEGL 28-04 which was published in April 2005. Under the WIA, U.S. DOL, ETA has authority to administer job training and employment programs. This includes provisions requiring performance reporting from States and grantees.

The common measures are an integral part of ETA's performance accountability system. The U.S. DOL has implemented common measures in an effort to give programs the ability to describe, using common definitions and program requirements, the core purposes of the workforce system - how many people found jobs; how many people retained jobs; and whether their earnings increase.

The workforce investment system is being transformed to a demand-driven system with strategic investments in workforce solutions that result in more individuals being trained for high-skill jobs in high-growth, high-demand industries. The performance accountability system, with common performance measures at its core, needs to be aligned with the specific demand-driven strategies identified both at the state and local levels.

Common measures are tied closely to WIA reauthorization, which has not occurred at this time. U.S. DOL ETA has stated its intent, in TEGL 17-05, to minimize the reporting burden on states and local areas by ensuring that statutory performance measures are consistent with the common measures. Thus, the common measures will be partially implemented, to the extent possible, under the current WIA requirements. The measures apply to WIA Title 1, WIA Title 3, Veterans and Trade Assistance Adjustment (TAA) programs.

The Department previously issued WIA Policy Update 05-03; this policy update replaces that issuance. This policy addresses Wisconsin's implementation of the U.S. DOL's performance measurement requirements.

Policy

Although the U.S. DOL uses the term "common measures," Wisconsin Division of Workforce Solutions (DWS) policy staff have found this term to be misleading and confusing for local service providers and WDB staff, because the measures discussed in TEGL 17-05 do not replace the existing 17 performance measures that States are required to negotiate under the WIA Title 1 program requirements. To help WDBs and local staff distinguish between the new measures, the old measures and the modified measures, DWS will not use the term "common measures" except when it is referencing the U.S. DOL policy. DWS will continue to refer to Adult, Dislocated Worker, Older and Younger Youth measures, as appropriate, to each program affected by TEGL 17-05. The new measures, which address youth only, are referred to as "All-Youth measures," because they apply to any WIA Title 1 Youth program participant who is age 14 - 21.

The DWS will continue to report the 17 existing WIA Title 1 performance measures as required under the Act, subject to the detail in TEGL 17-05. DWS will also begin collecting and reporting the three All-Youth measures. TAA began reporting performance measures on October 1, 2005, which was the beginning of the TAA program year. Wagner-Peyser (Title 3) began reporting performance measures on July 1, 2005.

The performance measures affected by U.S. DOL TEGL 17-05 for each funding source are listed below.

Wagner Peyser - Effective July 1, 2006, (Adults and Veterans, age 18 and older)

1. **Entered Employment Rate:** The measure counts the number of adults who entered employment in the first (1st) quarter after exit.
2. **Employment Retention Rate:** All adults who exit WIA Title 3 on or after July 1, 2005, must be employed in the first quarter after exit to be included in this measure. They must then retain employment in both the second (2nd) and third (3rd) quarters after exit to be counted as a positive outcome in this measure.
3. **Average Earnings:** The measure counts the number of adults who entered employment in the first quarter after exit and retained employment in the third quarter after exit. The measure looks at earnings in the 2nd and 3rd quarters after exit. Pre-program earnings are no longer a factor in this measure.

Trade Adjustment Assistance - Effective October 1, 2005

1. Entered Employment Rate: The measure counts the number of individuals who entered employment in the 1st quarter after exit.
2. Employment Retention Rate: All individuals who exit TAA on or after October 1, 2005, must be employed in the first quarter after exit to be included in this measure. They must then retain employment in both the 2nd and 3rd quarters after exit to be counted as a positive outcome in this measure.
3. Average Earnings: The measure counts the number of individuals who entered employment in the first quarter after exit and retained employment in the third quarter after exit. The measure looks at earnings in the 2nd and 3rd quarters after exit. Pre-program earnings are no longer a factor in this measure.

WIA Title 1 (Adults, Dislocated Workers, Older and Younger Youth)

Adult Measures

1. Entered Employment Rate: No change. The measure counts the number of adults who entered employment in the 1st quarter after exit.
2. Employment Retention Rate: This measure changed in PY05. All adults who exited WIA Title 1 on or after July 1, 2005, must be employed in the 1st quarter after exit to be included in this measure. They must then retain employment in both the 2nd and 3rd quarters after exit to be counted as a positive outcome in this measure.
3. Average Earnings: Effective July 1, 2006, the measure counts the number of adults who entered employment in the 1st quarter after exit and retained employment in the 2nd and 3rd quarter after exit. The measure looks at earnings in the 2nd and 3rd quarters after exit. Pre-program earnings are no longer a factor in this measure.
4. Employment and Certificate/Credential Attainment Rate: Effective July 1, 2006, the definition of a certificate/credential must meet the definition specified in TEGL 17-05 and expanded upon in DWS WIA Policy Update 04-13, which was published on June 1, 2006. The measure counts the number of adults who received training services, entered employment in the 1st quarter after exit, and earned a certificate/credential by the end of the 3rd quarter after exit.

Dislocated Worker Measures

1. Entered Employment Rate: No change. The measure counts the number of dislocated workers who entered employment in the 1st quarter after exit.
2. Employment Retention Rate: This measure changed in PY05. All dislocated workers who exit WIA Title 1 on or after July 1, 2005, must be employed in the 1st quarter after exit to be included in this measure. They must then retain employment in both the 2nd and 3rd quarters after exit to be counted as a positive outcome in this measure.

3. **Average Earnings:** Effective July 1, 2006, the measure counts the number of dislocated workers who entered employment in the 1st quarter after exit and retained employment in the 2nd and 3rd quarter after exit. The measure looks at earnings in the 2nd and 3rd quarters after exit. Pre-program earnings are no longer a factor in this measure.
4. **Employment and Certificate/Credential Attainment Rate:** Effective July 1, 2006, the definition of a certificate/credential must meet the definition specified in TEGL 17-05 and expanded upon in DWS WIA Policy Update 04-13, which was published on June 1, 2006. The measure counts the number of dislocated workers who received training services, entered employment in 1st quarter after exit, and earned a certificate/credential by the end of the 3rd quarter after exit.

Older Youth Measures (Age 19 - 21)

1. **Entered Employment Rate:** No change. The measure counts the number of older youth who entered employment in the 1st quarter after exit.
2. **Employment Retention Rate:** No change. The measure counts the number of older youth who entered employment in the 1st quarter after exit and retained employment in the 3rd quarter after exit.
3. **Six Months Earnings Change:** No change. The measure counts the number of older youth who entered employment in the 1st quarter after exit and who retained employment in the 3rd quarter after exit, and compares their pre-program and post-program earnings.
4. **Certificate/Credential Attainment Rate:** Effective July 1, 2006, the definition of a certificate/credential must meet the definition specified in TEGL 17-05 and expanded upon in DWS WIA Policy Update 04-13, which was published on June 1, 2006. The measure counts the number of older youth who entered employment, post-secondary education or advanced/occupational skills training in the 1st quarter after exit, and earned a certificate/credential by the end of the 3rd quarter after exit.

Younger Youth Measures (Age 14 - 18)

1. **Skill Attainment Rate:** No change. The measure counts the number of basic skills, work readiness and occupational skills goals attained by younger youth. A maximum of 3 goals per program year is counted.
2. **Diploma or Equivalent Attainment Rate:** No change. The measure counts the number of youth who earned a high school diploma, or its equivalent, by the end of the 1st quarter after exit.
3. **Retention Rate:** No change. The measure counts the number of younger youth who are in post-secondary education, advanced training, employment, military service, or a qualified apprenticeship in the 3rd quarter after exit.

All-Youth Measures (Age 14 - 21)

U.S. DOL required States to begin reporting performance outcomes for the youth measures (All-Youth Measures) in PY05 to establish a baseline for future performance measure negotiations. The measures are:

1. **Placement in Employment or Education:** The measure counts the number of youth who are in employment; the military; post-secondary education; and/or advanced training or occupational skills training in the 1st quarter after exit. The measure includes youth who remain in secondary school at exit. This measure includes carry-ins from PY04.
2. **Attainment of a Degree or Certificate:** The measure counts the number of youth who attain a diploma, GED or certificate by the end of the 3rd quarter after exit. The measure includes youth who remain in secondary school at exit. This measure includes carry-ins from PY04.
3. **Literacy and Numeracy Gains:** The measure counts the number of youth who increase one or more educational functioning levels during a year of participation in the program. The measure counts only out-of-school youth who are basic skills deficient at the date of first youth service. Testing instruments are prescribed in Attachment D of TEGL 17-05. Alternative testing tools must be submitted by the DWS to the U.S. DOL for Federal review and approval. This measure applies youth who begin receiving services from WIA Title 1 on or after July 1, 2005. Staff are not required to go back and test out-of-school, basic skills deficient youth who were already participants prior to July 1, 2005.

Definition Changes

Effective July 1, 2006, there are changes to a number of definitions that affect the point in time that an individual gets counted in a performance measure.

1. **ASSET** means the Automated Systems Support for Employment and Training system. This is Wisconsin's designated customer reporting and data collection system for WIA Title 1, WIA Title 3 and TAA. It is the source for most participant and service delivery information that is reported to the U.S. DOL.
2. **Exiter** means a participant has not received a service funded by U.S. DOL programs or funded by a partner program for 90 consecutive calendar days. The exit date is the last date of service. All exits on or after July 1, 2006, will be executed using ASSET's soft exit functionality. Case managers must refrain from entering exit dates themselves and allow the system to do it for them.
3. **Participant** means an individual who is determined eligible to participate in the program and receives a service funded by the program in either a physical location (e.g., a One-Stop career center) or remotely through electronic technologies. Eligibility requirements vary among the programs and are defined in more detail in WIA Policy Update 06-03: Definition of Participant and Exiter for U.S. DOL Employment and Training Programs.
4. **Participation date** means the date an individual who meets a program's eligibility requirements begins receiving a service funded by that program. The participation date is variable because each program's eligibility requirements are different.

5. **Planned Gap in Service** is described in greater detail in DWS WIA Policy Update 04-10 which is undergoing review and revision. A planned gap in service must be fully documented and may be used to prevent an exit if the gap is greater than 90 days, but less than 360 days; and occurs because of one of the following circumstances:
- Delay before the beginning of training.
 - Health/medical condition or providing care for a family member with a health/medical condition.
 - Temporary move from the area that prevents the individual from participating in services.
6. **Exclusions from Performance Measures** have been expanded and redefined. Any participant who exited on or after July 1, 2005, and was found to be in one of the circumstances listed below at exit or during the three quarters after exit, can be excluded from all performance measures. This includes exclusion from measures in which the participant may have had a positive outcome prior to the exclusionary condition occurring. The allowable exclusions are:
- Institutionalized: The participant is residing in an institution or facility providing 24-hour support, such as a prison or hospital, and is expected to remain in that institution for at least 90 days. Individuals with disabilities (as defined in 29 CFR 37.4) residing in institutions, nursing homes or other residential environments cannot be excluded under this reason. This reason does not apply to the Responsible Reintegration of Youthful Offenders program.
 - Health/Medical or Family Care: The participant is receiving medical treatment or providing care to a family member that precludes entry into unsubsidized employment or continued participation in the program. This does not include temporary conditions or situations expected to last for less than 90 days.
 - Deceased: Self-explanatory.
 - Reservists Called to Active Duty: The participant is a reservist who is called to active duty for at least 90 days.*
 - Relocated to a Mandated Residential Program: For youth participants only, the participant is in the foster care system or any other mandated residential program and has moved from the area as part of such a program.

Case managers and local boards must fully document any reason that excludes the participant from performance measures calculations.

**Note:* Case managers should think carefully before exiting a participant who is a military reservist called to active duty. An individual who is in this situation has entered employment, will likely retain the job, and if training services were received, may be counted in the certificate/credential measures. There may be greater benefit to performance by counting the participant than by excluding them. This consideration may be applied by case managers on a case-by-case basis, depending on the availability of documentation. Individuals in this circumstance will be treated as supplemental employment data.

7. **Diploma** means any credential that the state education agency accepts as equivalent to a high school diploma.

8. **Certificate/Credential** means a certificate that is awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to gain employment within an occupation. These technical or occupational skills are based on standards developed and endorsed by employers. Certificates awarded by workforce investment boards or awarded in recognition of the attainment of only generic pre-employment or work readiness skills are not included in this definition. This is discussed in greater detail in DWS WIA Policy Update 04-13
9. **Education Gain** means that at post-test, the participant completes or advances one or more educational functioning levels from the starting level measured on entry into the program (pre-test). TEGL 17-05 includes discussions on the testing standards and assessing youth with disabilities. This is discussed in greater detail in DWS WIA Policy Update 05-06.

ASSET Reporting

ASSET has been undergoing a series of revisions since April 2005 in order to implement these changes. More changes are planned for implementation after the PY05 Annual Report has been produced. Changes are addressed in corresponding policy updates, InfoLines and at ASSET User Group meetings.

Action Required

This policy addresses the highlights associated with U.S. DOL's common measures policy and is effective on July 1, 2006. Questions about this policy should be submitted to Nancy Bryan at the address above, or you can e-mail them to her at nancy.bryan@dwd.state.wi.us.